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NEW YORK TIMES
 9 November 1986

Congress Plans To Investigate Covert Policies

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Special to The New York Times

WASHINGTON, Nov. 8 — Members of Congress said today that they would investigate whether the Reagan Administration had used the White House staff to circumvent Congressional restrictions on foreign policy and covert operations.

They expressed concern that officials of the National Security Council had been the focal point for covert operations involving two of the Administration's most sensitive foreign policy initiatives: support for the Nicaraguan rebels and secret arms shipments to Iran.

Skirting the Law

"There's nothing wrong with secret diplomacy, but if you are doing it as a way to get around specific laws, then everything is wrong," said Senator Patrick Leahy, the Vermont Democrat who is vice chairman of the Senate Select Committee on Intelligence. "If you use a White House staffer to get around the prohibition of American involvement in Central America, that's absolutely wrong."

"And if you go behind the back of Congress to provide arms to Iran, that's wrong too," Mr. Leahy said. "The basic question is whether they are using the N.S.C. to get around American law."

Mr. Leahy said he expected that the intelligence committee would closely examine the question of whether Con-

gress should have been notified about the shipment of arms to Iran in a reported attempt to help win the release of American hostages in Lebanon.

Administration officials have repeatedly insisted that they are complying with all applicable statutes in their foreign-policy dealings. One Administration official, said, however, that the Central Intelligence Agency had not been used for the deliveries to Iran because it would have been required to brief the Congress on any such operation, leading in turn to its disclosure.

The assertion that Congress could not keep such matters confidential was vigorously disputed by senior Congressional officials.

At the center of inquiries by the House and Senate intelligence committees, as well as the Senate Foreign Relations Committee, are the purported activities of Lieut. Col. Oliver North, the deputy director of political-military affairs on the National Security Council.

Administration officials have said that he advised and assisted a private network that funneled supplies to the Nicaraguan rebels, or contras, since Congress cut off aid in 1984. Other officials have said that Colonel North, working directly and through intermediaries, was a key figure in arranging the secret arms shipments to Iran.

Administration officials disclosed today that among the intermediaries for Colonel North in Iran as well as Nicaragua was Richard V. Secord, a retired major general who once oversaw United States arms sales in the Middle East. Mr. Secord, whose involvement in Nicaragua had been known previously, could not be reached for comment.

North's Independent Role

The inner workings of the N.S.C. and its staff are among the more tightly held secrets in Washington. But officials familiar with its activities said Colonel North's missions are often known by only a handful of senior presidential advisers. His role was described as "operational" by one knowledgeable source, who said he sometimes works without consulting area specialists at either the N.S.C. or State Department.

Congressional efforts to investigate Colonel North's activities could spur a sharp clash with President Reagan. A year ago, when Congressional committees began pressing for such items as Colonel North's phone logs and appointment calendars, the White House refused, citing "executive privilege." Under that legal doctrine, the internal workings of the President's staff are held to be exempt from Congressional scrutiny.

At the time, published reports said Colonel North was advising the contras, possibly in violation of the Congressional ban on direct or indirect aid. The Senate Intelligence Committee wrote a letter to Robert C. McFarlane, then the President's national security adviser, asking if the reports were true, according to a committee aide. He responded that the law had not been violated. The committee did nothing more to investigate the reports, the aide said.

On the House side, Mr. McFarlane was called to testify in closed session. Little else was done to investigate the allegations, according to a Congressional source.

Closer Scrutiny by Democrats

Both Congressional intelligence committees have questioned whether they are the appropriate panels to look into the N.S.C.

The committees' chief responsibility is for the intelligence agencies, such as the C.I.A. or the National Security Agency. The N.S.C. provides direction to these agencies, and other arms of the foreign policy apparatus.

Senator Robert C. Byrd, the West Virginia Democrat who is expected to be the majority leader in the 100th Congress, said this week that he expected the relevant committees in the Senate to examine the Iran arms shipments and related issues closely.

"Is it a violation of the law? I don't know," Mr. Byrd said. "I think in some instances, they have been playing very fast and loose, and they're not going to be able to do that as much now that the Democrats control these committees."

Last month, the shooting down of a cargo plane over Nicaragua rekindled interest in Colonel North's links to the contra supply network. The plane, according to the surviving crewman, was part of a large-scale supply operation run from a Salvadoran air base. The employees of this supply operation lived in safe houses in San Salvador, and their phone records show calls to office numbers used by Colonel North and Mr. Secord.

In recent years, senior foreign policy-makers within the Administration have become increasingly concerned that their ability to use the C.I.A. for operations has been hampered by requirements that Congress be notified of covert operations. The officials argue that Congress cannot keep such secrets.